

WISCONSIN DEPARTMENT OF HEALTH AND FAMILY SERVICES
Division of Health Care Financing
Bureau of Health Care Eligibility
1 West Wilson Street
PO Box 309
Madison WI 53701-0309

TO: Medicaid Eligibility Management Handbook Holders

FROM: Cheryl McIlquham, Director
Bureau of Health Care Eligibility

RE: Medicaid Eligibility Management Handbook Release 03-01

DATE: January 1, 2003

EFFECTIVE DATE

Release and effective dates are on each page in the upper left-hand corner. The first is the release date; the second is the effective date. Policy changes are noted with a vertical line. Deletions are noted with a horizontal line.

Implement the instructions at application, review, and change, or, if you wish, earlier. If there is a different effective date or implementation schedule, it will be noted below.

The following changes are included in this release:

CHANGES

Title Page

The handbook has been retitled as the Medicaid Eligibility Management Handbook. The title will be changed on an on-going basis as changes are made within each section.

Disabled Minor Unit,
23.4.2, 23.6.0, 30.5.0,
30.5.1, 30.7.0, WKST 12

Effective 1/1/03, the following income and allowance amounts increased due to COLA.

Description	Old Amount	New Amount
Community Waiver Special Income Limit for 1 Person	\$1,635.00	\$1,656.00
Community Waivers Basic Need Amount	\$725.00	\$732.00
EBD CAT NDY Income Limit for 1 Person	\$447.11	\$451.78
EBD CAT NDY Income Limit for 2 People	\$676.72	\$684.72
EBD Deeming AMT to Ineligible Minor	\$272.00	\$277.00
EBD MA Shelter Limit for 1 Person	\$181.67	\$184.00
EBD MA Shelter Limit for 1 Person	\$272.33	\$276.33
Institutions CAT Needy Income Limit	\$1,635.00	\$1,656.00
MAPP Standard Living Allowance	\$648.00	\$655.00

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Description	Old Amount	New Amount
SSI Federal Payment Amount	\$545.00	\$552.00
SSI Payment Level for 1 Person (\$552 Federal plus \$83.78 State Supplement)	\$628.78	\$635.78
SSI Payment Level for 2 People (\$829 Federal plus \$132.05 State Supplement)	\$949.05	\$961.05
SSI Payment Level plus the E Supplement	\$724.77	\$731.77

- 2.3.2 The 60-day extension for pregnant non-qualifying aliens extends from the date of application, not more than one calendar month before her due date, through the end of the month in which the 60th day falls following the due date.
- When a non-qualifying alien applies after the pregnancy has ended, certify the client for emergency services from the pregnancy end date through the end of the month in which the 60th day falls following the pregnancy end date.
- Examples were added to clarify this policy.
- 5.1.1 The Social Security Administration (SSA) Substantial Gainful Activity (SGA) amount increased from \$780 to \$800 effective 1/1/03.
- 10.6.1 The average hospital daily rate was increased from \$2,084.90 to \$2318.08.
- 6.7.1, 6.7.3 Family Planning Waiver was added to each of the cascades in these sections.
- 12.10.2 The information regarding overpayments for BadgerCare was moved to 34.2.2.3.
- 15.4.7 Clarification was provided on how to budget land contract income received less often than monthly. Prorate the income to a monthly amount, and only budget land contract payments received while a client eligible.
- An example was also provided.
- 15.4.4, 41.6.5.1 A line was removed from both the policy and the example that said to count retirement benefits in the month received. Retirement benefits should be budgeted as follows:
- If the frequency and amount are known, prorate the amount.
 - If the frequency or amount is known, but not both, average the amount.
 - If neither the frequency or amount is known, count the in-

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come in the month received.

- 15.4.16 Count any income that a member of a religious order receives, not related to gainful employment, as unearned income even if it is turned over to the order.
- 15.5.13 Count any income that a member of a religious order receives as earned income if the compensation is for gainful employment, even if it is turned back over to the order.
- 15.5.14 Count only wages and salaries paid to individuals as a result of their participation in a program funded under Title V of the Older Americans Act of 1965 as earned income.
- Do not count reimbursements.
- 19.1.1 To identify a “503” AG, the client must be eligible for OASDI and SSI, **or** have received an OASDI check or a retroactive check and SSI check for the same month for which s/he is eligible for both.
- If the client does not meet one of the requirements above **and** is no longer receiving SSI, the client must answer another set of questions.
- 19.6.0 The Katie Beckett address has been updated.
- 19.7.2 Effective 1/1/03, the Tuberculosis-Related Medicaid income limit has increased from \$1,175 to \$1,189.
- 21.7.0 The publication number for the Wisconsin Medicaid Estate Recover Program brochure has changed from PHC 1067 to PHC 13032.
- 23.4.2 Effective 1/1/03, the Community Spouse Asset Share (CSAS) increased from \$89,280 to \$90,660. The \$178,560 amount changed to \$181,320.
- 23.6.0 Effective 1/1/03, the Community Spouse income allocation amount increased from \$2,232.00 to \$2,266.50.

The following standard allowances changed effective 10/1/02.

If Community Spouse pays:	Old	New
Heat and utilities	\$203	\$211
Utilities only	\$117	\$125
Telephone only	\$27	\$25

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23.8.0	The section regarding signing the application for spousal impoverishment cases was moved to 35.3.5.4.
24.3.0	The Family Planning Waiver was added to the list of Medicaid limited benefit subprograms.
29.1.1.3	There is no backdating for the Family Planning Waiver (FPW).
29.4.1	The grace month policy was expanded. If a client is in a FPW extension phase, she will not receive a grace month.
30.9.0	The Hospital Daily Rates Chart has been updated.
34.0.0	<p>The Overpayments appendix has been renamed “Corrective Action”. The appendix was completely reworked and it now includes the following information:</p> <ul style="list-style-type: none">34.1.0 Overpayments34.2.0 Overpayment Calculation34.3.0 Overpayment Process34.4.0 Refer to District Attorney34.5.0 Fair Hearing35.6.0 Agency Retention35.7.0 Restoration of Benefits35.8.0 Incorrect Client Contribution
34.1.2, 34.1.3	<p>It was clarified that an overpayment recovery can be initiated when there is:</p> <ul style="list-style-type: none">• A misstatement of or omission of fact at the time of application, or• The client fails to report a change in income or assets, or• The client commits fraud, or• The client loses a fair hearing and his/her Medicaid benefits were continued pending the outcome of the fair hearing. <p>Overpayments cannot be recovered if a client reports a change timely, but the Economic Support Agency (ESA) was unable to act on that change timely.</p>
34.2.0	A section explaining when to begin and how long to extend an overpayment period was added.
34.3.2	When determining the overpayment amount, the actual income received by the client should be used in determining if an overpayment has occurred.
34.2.2.1	<p>Overpayments for cost shares and patient liabilities should be treated the same.</p> <p>When increasing a Family Care liability or cost share amount, do</p>

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not establish an overpayment amount on CARES. Recalculate the liability or cost share amount. Send the client a notice indicating the new cost share amount. Calculate the difference between the new and the old amount. Send the new cost share amount and the difference to the CMO.

34.2.2.4

Do not collect overpayments from minors. Overpayments can only be collected from adult members of the household.

34.3.0

The overpayment process was expanded.

34.7.0

A section on restoration of benefits was included.

34.8.0

If it is determined that a client's premium amount for BadgerCare (BC) or Medicaid Purchase Plan (MAPP) was incorrectly calculated in the past, recalculate the premium for the appropriate period of time. If the premium amount decreased, request a refund from the BC or MAPP Unit.

35.0.0

A new appendix on the choice of application method and the application process was incorporated from the Income Maintenance Manual (IMM), Chapter I, Part A. This new appendix incorporates material from Operations Memos 01-39, 02-10, and 02-11.

The new Application Appendix includes the following subsections:

35.1.0 Introduction

35.2.0 Choice of Application

35.3.0 Valid Application

35.4.0 Application Processing

35.5.0 Decision on Application

35.6.0 Publications

40.1.3

Family Planning Waiver was added to the list of Special Status MA subprograms.

41.6.2

Clarification on how to budget applicant income in SeniorCare was provided. Income exempted from MA eligibility is also exempted for SC including Earned Income Tax Credit (EITC) and income tax refunds.

41.6.3, 41.6.3.1, 41.6.4.6,
41.4.6.4, 41.6.5, 41.6.7

Income policies were re-organized into the categories provided on the SC application. Examples are provided in each section where appropriate.

41.6.3

A section on how to count interest and dividends for SC was added.

41.6.3.1

The capital gains policy for SC was added.

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41.6.3.2	The trust policy for SC was added.
41.6.7.1	A new section was added explaining how to count allocated income from a MA recipient spouse to a SC applicant.
41.6.7.3, 41.6.8.1	<p>All rental income will be budgeted for SC. Annual operating expenses should be deducted from the annual amount of gross rental income.</p> <p>If rental property is reported to the IRS as self-employment income and is subject to the federal self-employment tax for rental income, depreciation should also be deducted from the gross rental income.</p> <p>A reference to a section on calculating net rent for SC participants was added.</p>
41.6.7.2	The federal farm subsidy policy for SC was added.
41.10.0	<p>A SC participant may report changes before his/her case has been confirmed in CARES. The new information will be used in his/her SC eligibility determination. Changes reported after the case has been confirmed in CARES will not be applied to the participant's SC benefits, unless the change reported is one of the following:</p> <ul style="list-style-type: none">• A change of address.• A change in household composition.• Death• A participant request for withdrawal from SC.• An error. <p>An example was added to clarify this policy.</p>
41.10.1	<p>All errors made on SeniorCare Applications (HCF 10076) must be reported by the participant to the SeniorCare Customer Services Hotline at 1-800-657-2038.</p> <p>All errors reported by a participant within 45 days of the notice issuance date will be corrected to the begin date of the participants SC eligibility.</p> <p>Errors reported more than 45 days from the notice issuance data will be corrected based on the nature of error.</p> <p>Corrective action concerning past benefits will be taken if an error is reported and the participant should have been in a different participation level. If the error reported was the result of an agency error, do not recover any benefit that was received prior to the client reporting the error.</p>

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Any time the participant would be adversely affected by the correction of an error, timely notice will be provided before changing a participant's benefit level.

42.0.0

A new appendix explaining the policies of the new subprogram, Family Planning Waiver, was added.

The new Family Planning Waiver Appendix includes the following subsections:

- 42.1.0 Definitions
- 42.2.0 Presumptive Eligibility (PE)
- 42.3.0 Application
- 42.4.0 Non-Financial Requirements
- 42.5.0 Fiscal Test Group
- 42.6.0 Financial
- 42.7.0 Program Choice
- 42.8.0 Changes
- 42.9.0 FPW Extension Phase
- 42.10.0 Reviews and Recertifications
- 42.11.0 Confidentiality

Forms

The forms are being transitioned from the Department of Workforce Development (DWD) to the Department of Health and Family Services (DHFS). Due to this transition, the forms are being reformatted to meet DHFS guidelines. The table of contents has been revised to reflect the new and the old form numbers, and each of these forms will be replaced as the reformatting is completed.

Current Page Index

A current page index has been provided. Please note:

- Page 7 of 4.0.0 should say 00-06 not 00-05.
- Page 2 of 23.0.0 should say 01-02 not 00-02.
- Page 2 of 30.2.0 should say 94-02 not 94-01.

Handbook Maintenance

1. Title Page: Replace the title page with the new page.
2. Disabled Minors Unit: Replace page 3 with the new page.
3. Appendix Table of Contents: Replace pages 9 & 10 with the new pages, and replace pages 13 – 32 with pages 13 – 35.
4. Appendix 2.0.0: Replace page 5 & 6 with the new pages.
5. Appendix 5.0.0: Replace pages 1 & 2 with the new pages.

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6. Appendix 6.0.0: Replace pages 15 – 18 with the new pages.
7. Appendix 10.0.0: Replace pages 3 & 4 with the new pages.
8. Appendix 12.0.0: Replace pages 21 & 22 with the new pages.
9. Appendix 15.0.0: Replace pages 3 & 4, 17 – 24 with pages 3 & 4, 17 – 26.
10. Appendix 19.0.0: Replace pages 1 & 2, 5 – 8 with the new pages.
11. Appendix 21.0.0: Replace pages 13 & 14 with the new pages.
12. Appendix 23.0.0: Replace pages 3 & 4, 7 – 13 with the new pages.
13. Appendix 24.0.0: Replace pages 1 & 2 with the new pages.
14. Appendix 29.0.0: Replace pages 3 & 4 with pages 3 – 5.
15. Appendix 30.0.0: Replace pages and 1 & 2 from 30.5.0 with the new pages. Replace page 1 from 30.7.0 with the new one. Replace pages 1 – 4 from 30.9.0 with the new pages.
16. Appendix 34.0.0: Remove the current appendix and replace with the new one.
17. Appendix 35.0.0: Insert the Appendix 35.0.0 between Appendix 34.0.0 and Appendix 36.0.0.
18. Appendix 40.0.0: Replace pages 1 & 2 with the new pages.
19. Appendix 41.0.0: Replace pages 5 – 23 with pages 5 – 28.
20. Appendix 42.0.0: Insert Appendix 42.0.0 following Appendix 41.0.0.
21. Worksheets: Replace WKST 12 with the new one.
22. Forms: Replace pages 1 & 2 of the forms table of contents with pages 1 – 3.

Reorganize the forms based on the new list in the forms table of contents. Use the table of contents until all the forms have been replaced.

Remove DES 3001.

Replace the following:

- DES 2131 with the revision from 11/2001.
- DES 2228A with HCF 10096.
- DES 2235B with HCF 10098.
- DES 2362 with HCF 10106.
- DES 3048 with HCF 10109.
- DES 3070A with HCF 10111.

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- DES 2096 with HCF 10115.
- DES 2336 with HCF 10117.
- DES 2337 with HCF 10118.
- DWS 13042 with HCF 10122.

Insert the following:

- HCF 10109A following HCF 10109 (DES 3048).
- HCF 1011A following HCF 10111(DES 3070A).
- HCF 10126 following HCF 10122 (DWS 13042).

23. Current Page Index: At the end of this release is an index of the pages which should be in your handbook. Use this list to update your handbook.